

AGENDA  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, January 30, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">RS22645</a>	Amending the Local Planning Act	Rep. Morse

COMMITTEE MEMBERS

Chairman Barrett  
Vice Chairman Sims  
Rep Barbieri  
Rep Luker  
Rep Perry  
Rep Clow  
Rep Hancey

Rep Harris  
Rep Holtzclaw  
Rep Horman  
Rep Malek  
Rep Chew  
Rep Kloc  
Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Thursday, January 30, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** Representative Chew

**GUESTS:** Julie Hart, Westerberg and Associates; Courtney Washburn, Idaho Conservation League; Stu Davis, IAHD; Representative Ed Morse; Tony Smith, Benton Ellis; John Eaton, Realtors; Elizabeth Criner, Simplot and NWFPA; Teresa Molitor, LCDR and JURA; Raeleen Welton, RNP; Bob Henry, City of Nampa; Russell Westerberg, Boise; Tom Kleeburg, City of Lewiston; Carry Hall, City of Kimberly; Jeri DeLange, City of Hayden

**Vice Chairman Sims** called the meeting to order at 1:34 p.m.

**RS 22645:** **Rep. Morse** presented **RS 22645**, which would amend two code sections in the Local Planning Act. The first proposed change is to Section 67-6508 (m) which would make community design for buildings a voluntary requirement, rather than a mandatory one. It would also add the need to consider drainage issues, and would make beautification voluntary. The second change would be to Section 67-6511(1)(a)(1) to remove the authority to condition certain permits, and would require all design standards to be clear, rather than based on aesthetics. He explained this would restrict expansive design reviews. He said that current standards are a burden to property owners and the state.

In response to questions, **Rep. Morse** said the State of Idaho is filled with buildings from various time periods and different builders, and they may not all be aesthetically compatible. The RS seeks to stop the redesign of buildings by professional and citizen planners, which he said is expensive, time consuming, and unnecessary. Landscaping is not specifically addressed in this RS, however he said the process of building or updating is currently micromanaged and this issue might need to be addressed. He said, however, the actual building design is expensive and is the focus of this proposed legislation.

Responding to additional questions, **Rep. Morse** said this would only apply to commercial and industrial buildings. Historical districts are specifically addressed. Without defined standards, it would not be possible to arrive at uniformity. The references to specific items including landscaping on page 3, line 34 stand alone as exclusions. A review would only be conducted if a local body had provided for a review process within its ordinance.

**MOTION:** **Rep. Perry** made a motion to introduce **RS 22645**. She spoke to her motion, saying she believed a bill hearing was in order.

**Rep. Clow** spoke in support of the motion, saying he agrees, a bill hearing is in order and his questions were to provide clarification.

**Chairman Barrett** spoke in support of the motion. She stated this involves some private property rights and should receive a bill hearing.

**VOTE ON  
MOTION:**

**Chairman Barrett** called for a vote on the motion to introduce **RS 22645. Motion carried by voice vote.**

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 1:53 p.m.

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Representative Sims  
Vice Chairman

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Mary Tipps  
Secretary

**AMENDED AGENDA #1**  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, February 06, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1235</u></a>	Revising Procedures Relating to the Vacation of Plats by Cities and Counties	Senator Lakey
<a href="#"><u>RS22803</u></a>	Polygraphs for Law Enforcement Employees	Rep. Malek
<a href="#"><u>RS22794</u></a>	Amending the Local Planning Act	Rep. Morse

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Barrett	Rep Harris
Vice Chairman Sims	Rep Holtzclaw
Rep Barbieri	Rep Horman
Rep Luker	Rep Malek
Rep Perry	Rep Chew
Rep Clow	Rep Kloc
Rep Hancey	Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
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MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Thursday, February 06, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** Representative(s) Perry and Chew

**GUESTS:** Ken Harward, Association of Idaho Cities; Julie Hart and Russ Westerberg, Westerberg and Associates; Tony Smith, Benton Ellis

**Chairman Barrett** called the meeting to order at 1:36 p.m.

**MOTION:** **Rep. Horman** made a motion to approve the minutes of January 30, 2014. **Motion carried by voice vote.**

**S 1235:** **Senator Lakey** presented **S 1235**. He said this bill corrects two existing statutes in Title 50, Chapter 13, Idaho Code, regarding the vacation of plats. It clarifies that decisions to vacate plats are decided by a city if they are located within the city, and by a county if they are located within the county. This would bring Idaho Code into alignment with a Supreme Court decision which stated that cities have jurisdiction over cities, and counties have jurisdiction over counties.

Responding to a question regarding areas of impact, **Senator Lakey** said cities were satisfied with the proposed notification.

**MOTION:** **Rep. Luker** made a motion to send **S 1235** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Clow** will sponsor the bill on the floor.

**RS 22803:** **Rep. Malek** presented **RS 22803**. This would provide that employees with access to facilities occupied by law enforcement may not be excluded from polygraph tests. He expressed that in certain counties, individuals or whole departments working inside Sheriff's Offices are not given polygraph exams the same way police officers are, despite the fact that they have access to the same data as the officers. This is a problem that was brought to his attention by county commissioners.

Responding to questions, **Rep. Malek** said this change would allow but not require polygraph exams for employees who are being newly hired. Any incoming employee, including janitors and secretaries, could be given polygraph exams under this change. Polygraph exams could also be required for contract service workers, such as those who are part of night cleaning crews working in law enforcement buildings, if a specific human resources department decided to make that requirement. Polygraph exams could be used during recredentialing processes. These tests are used to determine whether applicants have been truthful on their applications. He is unsure how many law enforcement agencies across the state use polygraph tests in their hiring processes for police officers, however Rep. Malek is aware that in Kootenai County this is part of the hiring process. Also in Kootenai County, there is an entity housed inside the Sheriff's Department working alongside them, that is not a law enforcement agency.

**MOTION:** **Rep. Clow** made a motion to return **RS 22803** to the sponsor. **Motion carried by voice vote.**

**RS 22794:** **Rep. Morse** presented **RS 22794**. This RS replaces **H 437**, which was heard in this committee on January 30, 2014, as **RS 22645**. Changes have been made and include the addition of specific wording to clarify that beautification is allowed on certain surfaces. He said the intent is virtually the same.

In response to questions, **Rep. Morse** said the intent is to draw a brighter line between zoning authority's regulation to enforce aesthetics on buildings and not to require or mandate structural mandates for beautification purposes. He said this would restrict zoning power to health, safety and general welfare, and not allow structural redesign as part of design review or the permitting process.

**MOTION:** **Rep. Sims** made a motion to introduce **RS 22794**.

**Rep. Luker** said he agrees this should be printed, however he has a concern about the Statement of Purpose, which does not mention health, safety and general welfare.

Responding to additional questions, **Rep. Morse** explained under Section 66-6508, Planning Duties, the planning duties of a governing board are laid out, and there is a mandate for elements of comprehensive planning function. Community design and development does not extend beyond voluntary building beautification, and zoning powers for beautification end at surface finishes. Surface finishes could include texture, color and paint schemes, or siding. There has been confusion over how far community design can go. Some communities have sought to change the shape and functionality of buildings.

**VOTE ON MOTION:** **Chairman Barrett** called for a vote on the motion to introduce **RS 22794**. **Motion carried by voice vote. Chairman Barrett** requested to be recorded as voting **NAY**.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:27 p.m.

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Representative Barrett  
Chair

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Mary Tipps  
Secretary

**AMENDED AGENDA #1**  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Monday, February 10, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">RS22783C2</a>	Public Approval for Certain Urban Renewal Projects	Rep. Youngblood

COMMITTEE MEMBERS

Chairman Barrett  
Vice Chairman Sims  
Rep Barbieri  
Rep Luker  
Rep Perry  
Rep Clow  
Rep Hancey

Rep Harris  
Rep Holtzclaw  
Rep Horman  
Rep Malek  
Rep Chew  
Rep Kloc  
Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Monday, February 10, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** Representative Perry

**GUESTS:** Amber Pence, City of Boise; Raeleen Welton, RMP; Teresa Molitor, LCDC/JURA; Russell Westerberg, CCDC; Tony Smith, Benton Ellis

**Chairman Barrett** called the meeting to order at 1:40 p.m.

**MOTION:** **Rep. Meline** made a motion to approve the minutes of February 6, 2014. **Motion carried by voice vote.**

**RS 22783C2:** **Rep. Youngblood** presented **RS 22783C2**. He said the intent of urban renewal is to provide an economic development tool for local governments. In current law, there are different approaches urban renewal agencies might take to spur development. Monies collected and used in a project area are intended to be an investment that will pay the community back, generally through a higher taxable base of private commercial development which will contribute to more municipal funding and a lower tax rate for residents and businesses. When urban renewal funding is used to build single purpose public buildings that are not taxable, the benefit to economic development is not as desired. **RS 22783C2** considers a structure for public approval of these projects.

Responding to questions, **Rep. Youngblood** cited various projects undertaken by his community that have not provided any economic development. He said he believes the public has a right to vote on these projects.

**Rep. Kloc** declared Rule 38, saying he sits on the Board of Directors for an auditorium district.

In response to questions, **Rep. Youngblood** said an administrative building is used by public employees, for example, a city hall. He clarified that projects within city limits would be voted on by cities, and projects outside city limits would be voted on by counties. This would not prohibit infrastructure development. Only items specifically listed would be affected. If a project is to finance buildings being used by the public, a time element might not be significant.

**Rep. Sims** stated she lives in a community that spends thirty million dollars to make a park into a park, so she supports this legislation.

**Rep. Clow** pointed out language in the RS that discusses "municipalities" which he believes would not include buildings in counties, only in cities. During discussion, **Rep. Youngblood** said a great deal of work has been done to the language and he is not sure he wants to make further changes.

**Rep. Luker** said the language could probably be easily changed.

**Rep. Malek** cited Section 50-2903 which defines "municipality" to include counties.

**MOTION:** **Rep. Sims** made a motion to introduce **RS 22783C2**.



**Rep. Clow** said he supports the motion, however he believes some language needs to be changed. He would like to see more definitions included.

**VOTE ON  
MOTION:**

**Chairman Barrett** called for a vote on the motion to introduce **RS 22783C2**.  
**Motion carried by voice vote.**

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:02 p.m.

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Representative Barrett  
Chair

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Mary Tipps  
Secretary

AGENDA  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Tuesday, February 18, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">H 480</a>	Local Land Use Planning	Rep. Morse
<a href="#">H 490</a>	Elections for Certain Urban Renewal Projects	Rep. Youngblood

COMMITTEE MEMBERS

Chairman Barrett  
Vice Chairman Sims  
Rep Barbieri  
Rep Luker  
Rep Perry  
Rep Clow  
Rep Hancey

Rep Harris  
Rep Holtzclaw  
Rep Horman  
Rep Malek  
Rep Chew  
Rep Kloc  
Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Tuesday, February 18, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained with the minutes in the committee secretary's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

**Chairman Barrett** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. Kloc** made a motion to approve the minutes of the February 10, 2014, meeting. **Motion carried by voice vote.**

**H 480** **Rep. Morse** presented **H 480**, a bill which amends two code sections in the Local Planning Act. The first amendment under 67-6508(m) makes design powers for aesthetics and beautification a voluntary requirement for building. The second change in 67-6511(1)(a) clarifies the authority for aesthetic design only extends to surface finish, and does not entail authority to require structural design modifications to otherwise conforming structures for commercial and industrial use. The amendment requires all design standards be clear and direct as required by 67-6535.

**Rep. Morse** stated under existing law there should be a degree of uniformity within zoning districts of standards as outlined under 67-6511(a). The issue of building beautification is right on the edge of an individual's or company's ownership rights and government rules become an interplay with the uniformity standards of zoning districts. He stated when dealing in the area of aesthetics and beautification, it is extremely clouded with subjectivity.

**Rep. Morse** stated if an individual cannot build on land in a cost efficient manner, s/he suffers from major impairments or the individual does not have a feasible project. **H 480** deals with how those rights are allocated, how to address those risks, and how to draw lines between what is appropriate community involvement, and what decisions should be made by property owners. Rep. Morse stated design control ignores the cost of the mandated design and is based upon subjective beautification. The owner and market should make the decisions, and it should not be mandated by the government.

**Rep. Morse** cited a city's design review which states in part, "The proposal is consistent with the comprehensive plan." He stated under design review a city will incorporate all kinds of extraneous information. He stated it does not comply with the mandates of existing planning statutes. The decision making criteria must be direct and clear. Comprehensive plans create a situation where decisions are subjective and the decision criteria becomes subjective and political.

**Rep. Anderst** stated his background is in real estate and as a land owner, and he believes this is a property rights issue. He stated it is understood when building within city limits there are restrictions on what the uses can be. He explained there has been a trend over the last few years where the city is establishing more rights within the municipality's power and there is less individual rights. He stated if individuals do not establish some line of demarcation moving forward, that line will cross over. Rep. Anderst stated his concern is an individual being told what to build, rather than the owner having the option to decide.

In response to questions from the committee, **Rep. Morse** stated under Section 67-6508(m), the change that was made was "voluntary building." He stated within the planning duties, which are optional, he believed that allowed communities and governing boards to look at those issues. He stated we wanted to make sure building beautification was a voluntary act within the planning authorization. Rep. Morse explained if it is voluntary it would be voluntary for both the government entity and property owner. He stated his intent with the ordinance is that structural design mandates that are done for aesthetic purposes would not be allowed under this amendment.

**Rep. Morse** stated local control is better than state or federal, however when he looked at the ordinances around the state, he found there is a huge degree of subjectivity to the extent that local control means local political decisions. He stated he questioned whether that was good for property rights and economic development.

**Daren Fluke**, President, American Planning Association Idaho (APA ID), testified **in opposition to H 480**. Mr. Fluke explained design review is about creating places that people care about. Mr. Fluke stated a good design does cost more money, however citizens have an expectation a community will be built to a certain standard. He stated although the process is messy, it is best left to local officials to determine the design and where citizens can define a community's appearance.

In response to committee questions, **Mr. Fluke** stated public buildings are built to a higher standard. He stated he was not aware of any design projects that had gone through the review process which did not pass.

**John Eaton**, Idaho Association of Realtors, testified **in favor of H 480**. He stated the subjectivity of the process is the problem and cited an example. He stated there is an appointed group in the design review process which act as gatekeepers. Mr. Eaton explained this is occurring nationwide, and these powers are normally with city council members or planning and zoning. He explained gatekeepers determine what designs are approved, and the process is timely and costly.

In response to questions, **Mr. Eaton** stated the proposed legislation is a step towards curbing the problem developers are facing in the review process.

**Brad Clark**, Planning Director, Emmett, ID-APA/City of Emmett, testified **in opposition to H 480**. Mr. Clark stated Emmett's historical downtown area is important to the community, and there is a set basic design criteria for the community. Existing property owners want the area to be attractive for tourists. The design review for Emmett is a separate board appointed by the mayor. Mr. Clark questioned if what is at stake is the issue of design cost, then why does it exempt historic sites, cell towers, etc. Mr. Clark stated there is a big hole in this legislation.

In response to questions, **Mr. Clark** stated before a building owner embarked on redesigning a building, building ordinances would be communicated to the owner. Mr. Clark stated the ordinance has been in place since 2009, and has not deterred potential builders. Mr. Clark responded final approval is with elected officials.

**Andy Erstad** testified in opposition to **H 480**. Mr. Erstad stated he was an architect, and involved in the development of many designs projects. He communicated developers considered this bad business and the state should not be in the role of dictating to cities what to do and what not to do. Mr. Erstad explained within every community there is the opportunity for an appeal process.

**Pam Eaton**, Idaho Retailers Association and Idaho Lodging & Restaurant Association (ILRA), testified in favor of **H 480**. Ms. Eaton stated large businesses have teams and a staff which deal with design committees and zoning issues. The larger businesses have the expertise and will jump through the hoops to get the design accepted. She explained the small independent business owner does not have the money and time to expend on this effort. For this reason, a small business will not expand or renovate due to the cost and time required to obtain approval of the design. She explained **H 480** would help with economic growth.

In response to questions, **Ms. Eaton** stated we have the trust issue that if a new business comes in, it will mimic or come close to blending into the adjacent or surrounding building structures. Ms. Eaton stated you have to trust businesses in the community.

**Dave Yorgason**, Tall Timber Consulting, testified in favor of **H 480**. Mr. Yorgason explained he had developed houses and buildings and explained from his experience clarification was needed. Mr. Yorgason stated the challenge is when an individual gets in front of the design committee, it does add costs. In his experience, he noted applications were not filed with cities because of the burdensome process within the city.

In response to questions, **Mr. Yorgason** stated he was aware of a small business which chose to build in a certain city. However, after speaking with others about the process and added costs, the builder opted to build in another city.

**Geoff Schroeder**, City Council, Mountain Home, testified in opposition to **H 480**. He stated the amendment removes choices, and the most effective government is a government that governs the least.

**Brian Billingsley**, Planning & Zoning Director, Caldwell, testified in opposition to **H 480**. Mr. Billingsley stated the intent of the city is to protect the downtown vision. When designer standards were not enforced, businesses suffered. He stated small business are beginning to come back to the downtown area. Lack of oversight destroyed the downtown business.

In response to questions, **Mr. Billingsley** stated if the bill was passed it would hurt downtown Caldwell. He stated Caldwell had a past reputation of not having higher standards, and the city is on the path to improving those standards.

**Larry Benton**, Benton Ellis and Associates, testified in opposition to **H 480**. Mr. Benton emphasized the bill is on the right track, however suggested involving stakeholders and nearby property owners.

**Bruce Chatterton**, City of Meridian, testified in opposition to **H 480**. Mr. Chatterton stated it is about community character, and the local communities make decisions about what choices are reflected in renovated buildings or new designs. Mr. Chatterton stated Meridian is one of the fastest growing communities, and the administrative process allows the city to understand developer's intent. Through compromise, better projects are developed.

**MOTION:**

**Rep. Harris** made a motion to send **H 480** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Clow, Hancey, Kloc**, and **Meline** requested that they be recorded as voting **NAY**. **Rep. Morse** will sponsor the bill on the floor.

**ADJOURN:**      There being no further business to come before the committee, the meeting was adjourned at 3:35 p.m.

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Representative Barrett  
Chair

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Lisa Hamlin  
Secretary

AGENDA  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, February 20, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">S 1241</a>	Revising Trespass Posting Provisions	Senator Guthrie

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Barrett	Rep Harris
Vice Chairman Sims	Rep Holtzclaw
Rep Barbieri	Rep Horman
Rep Luker	Rep Malek
Rep Perry	Rep Chew
Rep Clow	Rep Kloc
Rep Hancey	Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Thursday, February 20, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** Representative Hancey

**GUESTS:** Mackenzie Herrick, Veritas Advisors; Dennis Tanikuni, Idaho Farm Bureau; Kate Haas, Idaho Grain Producers

**Chairman Barrett** called the meeting to order at 1:36 p.m.

**S 1241:** **Senator Guthrie** presented **S 1241**. He explained that Idaho currently has areas where public roads go through private lands, and some of these lands are unfenced. **S 1241** would allow landowners who have public roads running through or alongside their properties the option of posting signs where public roads enter private lands, alerting travelers that venturing off the road is trespassing and is not allowed. Signs would also be posted where roads leave private lands, alerting travelers that they are then able to leave the road. Signs would contain the number of miles and would let travelers know whether just one or both sides of the road are private land, or could contain maps showing where the private lands begin and end. This would eliminate the requirement that land owners plant orange posts every 660 feet, because on large tracts of land this can be expensive and requires a great deal of labor.

In response to questions, **Senator Guthrie** said this option would not be required, it would simply be an alternative that land owners could choose to utilize. He said the word "conspicuous" is not clearly defined and is subjective, however this tool is simply optional and not required. If a sign is not readable due to bullet holes, it could require replacement.

**MOTION:** **Rep. Horman** made a motion to send **S 1241** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Horman** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:53 p.m.

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Representative Barrett  
Chair

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Mary Tipps  
Secretary



AGENDA  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
1:30 or Upon Adjournment of the House  
Room EW05  
Tuesday, March 04, 2014

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">S 1300</a>	Relating to the Lease of a Hospital by a Board of County Commissioners	Don Ebert, Clearwater County

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Barrett	Rep Harris
Vice Chairman Sims	Rep Holtzclaw
Rep Barbieri	Rep Horman
Rep Luker	Rep Malek
Rep Perry	Rep Chew
Rep Clow	Rep Kloc
Rep Hancey	Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Tuesday, March 04, 2014  
**TIME:** 1:30 or Upon Adjournment of the House  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline  
**ABSENT/  
EXCUSED:** Representatives Holtzclaw and Malek  
**GUESTS:** None

**Chairman Barrett** called the meeting to order at 1:32 p.m.

**Chairman Barrett** requested the page, **Sara Buddeke**, introduce herself. She is from Twin Falls. She plans to attend Texas Christian University in the fall, with a double major in journalism and international relations.

**MOTION:** **Rep. Kloc** made a motion to approve the minutes of February 18, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Kloc** made a motion to approve the minutes of February 20, 2014. **Motion carried by voice vote.**

**S 1300:** **Don Ebert**, Clearwater County Board of Commissioners, presented **S 1300**. He said this bill would amend Idaho Code 31-836, to increase the cap on a county's ability to lease a hospital or hospital facility without public auction from 20 years to 35 years. He said Clearwater Valley Hospital (CVH) is owned by the public, through Clearwater County. Prior to approximately 1996, it was operated by the county. In approximately 1996, the county found itself in a situation where it lacked the expertise to continue to operate a hospital given the increasing costs and regulations surrounding health care facilities. The hospital was close to closing its doors due to funding issues and lack of a sufficient taxpayer base. The county approached the Benedictine Sisters of St. Mary's Convent in Cottonwood, Idaho, who operated the St. Mary's hospital under the Benedictine Health System umbrella. The Benedictine Health System agreed to take over the operation of CVH. A lease was entered into and approved by the voters. According to the lease, the county continued to own the facility, but all operations were conducted by the Benedictine Health System. The original lease was for 20 years, which is the longest lease able to be written without a public auction of the lease under Idaho Code 31-836.

**Mr. Ebert** said an Idaho nonprofit organization called Clearwater Valley Hospital and Clinics, Inc. (CVH&C) was formed and began operating under the Benedictine umbrella for direct management and operation of the hospital. The hospital has since been operated successfully, has grown to meet expanding needs, has established clinics to serve outlying areas including the cities of Pierce, Weippe and the Kamiah/Kooskia areas. It serves as the primary health care provider for the cities of Peck, Orofino, Pierce, Weippe, Kamiah, and the unincorporated communities. It has done so without taxpayer support. The hospital is designated as a critical access hospital. It essentially serves the entire Clearwater River corridor, being the only hospital on U.S. Highway 12 between Lewiston, Idaho and Lolo, Montana. It serves all of Clearwater County, part of Nez Perce County, part of Idaho County and part of Lewis County. It contains the only emergency room between the Lolo Pass and Lewiston, Idaho. Mr. Ebert said

the hospital's importance to the health and welfare of the citizens of these areas cannot be overstated.

**Mr. Ebert** said the lease between CVH&C and the Benedictine Health System (now known as the Essentia Health System) is due to expire in two years. The voters were asked in the November 2013 election to give the Clearwater County Board of Commissioners approval to enter into another long term lease with CVH&C. Clearwater County believed it was appropriate to seek voter approval before entering into a lease of this nature because the structure is owned by the public and was constructed with taxpayer dollars. The voters approved a long term renewal of the lease with CVH&C, by a margin well in excess of 90%. CVH&C and the Essentia Health System have approached Clearwater County with the following proposal: If the County can provide CVH&C with a long enough lease, CVH&C will construct a separate stand alone clinic, and will agree to make substantial building and infrastructure improvements which are necessary for the aging facility to continue to be operated long term as a hospital. All will be done at CVH&C expense without taxpayer contributions. Investment is conservatively estimated to be several million dollars over time. All improvements to the hospital will revert to county ownership at the conclusion of the lease. However, the financing agencies require CVH&C to have a long enough lease that it will be able to pay back the investment and will be able to realize at least the accountant established depreciated value of the investment. As the hospital facility is aging, and significant investment will be required in the next decade or so to keep it in compliance with regulations, requirements, and best practices recommendations, this is important.

**Mr. Ebert said** alternatively, the County could invest the millions of dollars required and lease the facility to CVH&C. Clearwater County has neither the tax base nor income stream to support that kind of investment. To accomplish the necessary investment without having to resort to taxpayers to foot the bill will require a lease in excess of 30 years, estimated at 35 years. This concept is recognized by the same statute which allows leases to the Idaho Hospital Authority for up to 99 years without a public auction. Idaho Code 31-836 prohibits leases of more than 30 years, and requires the County to put any lease of a hospital facility in excess of 20 years up for public auction. There are exceptions written into the statute for the Idaho Hospital Authority. Clearwater County cannot run the risk of putting its only hospital up for public auction, because of the risk that some other entity could outbid CVH&C for the structure and deprive the community of its primary health care provider. It is simply too great a risk. Clearwater County cannot justify risking such a critical public health facility by exposing it to public auction. Clearwater County has enjoyed a very beneficial, long term relationship with CVH&C. The County enjoys a very high level of trust in the integrity of both CVH&C and Essentia, as well as their long term viability.

**Mr. Ebert** said it is requested that the 30-year limitation on leases as well as the 20-year limitation on leases to a hospital without a public auction in Idaho Code 31-836 be increased to 35 years. This will open options to Clearwater County and other similarly situated counties to use long term leases as a mechanism to provide health care and infrastructure improvements and upgrades at private rather than public expense, without further burdening the taxpayers of Idaho with what will be required for infrastructure investment. There will be no cost to the state or to any county for this amendment. It would have the effect of saving taxpayers the burden of financing the infrastructure improvements.

**Mr. Ebert** said all counties in Idaho who continue to own the structure in which a hospital is housed either have or will have the same problem as that structure ages and requires upgrades, repairs and improvements. **S 1300** provides additional options to those counties, in addition to the existing options provided by Idaho law. Mr. Ebert said the initial investment of \$5 million into the new clinic will provide immediate and positive results for the local economy as it is built, staffed and operated. The subsequent hospital renovation of \$4 million will also provide economic benefits through construction and employment. A better hospital is an incentive for people to come with their families and to move businesses to the area. CVH&C currently employs approximately 200 people. Last year their payroll was approximately \$11.5 million. The expansion is expected to provide at least 20 new jobs and increase payroll by over \$1 million.

**Rep. Sims** declared Rule 38, saying **Mr. Ebert's** aunt is married to her brother.

In response to questions, **Mr. Ebert** said the land that will be leased for the new clinic is within a thousand yards of the hospital. It has been purchased from a private individual. All involved parties share the same vision for expansion and for continuing to provide services. Both the hospital and clinic will have parking available. The Board discussed selling, however they determined that to sell, there would have to be an appraisal and the facility would need to be put up for bids, which could threaten existing services. Currently grants exist that would also need to be unwound in order to sell. The County has invested a great deal into the hospital, and certain financial items such as the grants belong to the County. Being unwilling to jeopardize the current services to the community, and the current partnership that is working so well, the Commissioners determined they would rather come to the Legislature and request a change to Idaho Code to enable them to enter into a longer lease, than put the hospital up for auction. The attorney for Clearwater County indicated to put the hospital up for auction could jeopardize its current functioning. Over 90% of voters indicated they want to renew and extend this lease. This change would apply to all Idaho counties. It would simply allow commissioners to determine the desired length of leases, and voters would be involved in the process. In the case of an auction, Mr. Ebert is concerned there could be great disruption and some uncertainty.

**MOTION:** **Rep. Clow** made a motion to send **S 1300** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Clow** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:56 p.m.

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Representative Barrett  
Chair

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Mary Tipps  
Secretary

**AMENDED AGENDA #1**  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
**1:30 pm or Upon Adjournment of the House**  
**Room EW05**  
**Thursday, March 06, 2014**

<b>SUBJECT DESCRIPTION</b>		<b>PRESENTER</b>
<a href="#"><u>H 451</u></a>	Updating County Public Records Retention Requirements	Phil McGrane, Office of the Ada County Clerk
<a href="#"><u>S 1238</u></a>	Repealing a Requirement Related to Statements of the Financial Condition of Counties	Tony Poinelli, Idaho Association of Counties
<a href="#"><u>H 573</u></a>	Providing for Elections on Certain Urban Renewal Projects	Rep. Youngblood
<a href="#"><u>H 574</u></a>	Revising a Definition in the Local Economic Development Act	Rep. Malek

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Barrett  
Vice Chairman Sims  
Rep Barbieri  
Rep Luker  
Rep Perry  
Rep Clow  
Rep Hancey

Rep Harris  
Rep Holtzclaw  
Rep Horman  
Rep Malek  
Rep Chew  
Rep Kloc  
Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: hloc@house.idaho.gov

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Thursday, March 06, 2014

**TIME:** 1:30 pm or Upon Adjournment of the House

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representative(s) Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** None

**GUESTS:** Tony Poinelli, IAC; Betty Dressen, Payette County Clerks' Office; Russell Westerberg, CCDC; Raeleen Welton, Westerberg and Associates; Ray Stark, Boise Chamber; Ryan Armbruster, RAI; Teresa Molitor, LCDR/JURA

**Vice Chairman Sims** called the meeting to order at 3:16 p.m.

**MOTION:** **Rep. Horman** made a motion to approve the minutes of March 4, 2014. **Motion carried by voice vote.**

**H 451:** **Phil McGrane**, Ada County Clerks' Office, presented **H 451**. This is a change in records retention law that would allow counties to digitize records, which they are currently doing, but would also allow them to destroy paper copies. A great deal of paper is being accumulated and is costly to store. People are not accessing it because it is already digitized. A multimillion dollar building in Ada County was recently considered as a storage facility for these records; it was at that point when the Clerks' Office realized allowing all records to be digital and to allow destruction of redundant paper would benefit taxpayers.

In response to questions, **Mr. McGrane** said a base file of a .tif image is being maintained for all files, so all images are archive quality and will be able to be read by any updated software. The requirement that backup files stored in different locations will allow information to be easily duplicated should a hard drive fail or a disaster occur.

**MOTION:** **Rep. Kloc** made a motion to send **H 451** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kloc** will sponsor the bill on the floor.

**S 1238:** **Tony Poinelli**, Idaho Association of Counties (IAC), presented **S 1238**. This would repeal Idaho Code 31-2307, which says each county auditor must annually publish a statement of financial condition. This information is already available in the annual independent audit of counties required in Idaho Code 67-450B.

In response to questions, **Mr. Poinelli** said the statement of financial condition is not the only annual report. The information provided in the annual audit is more accurate and provides a detailed accounting of funds.

**Betty Dressen**, Payette County Clerks' Office, spoke in favor of **S 1238**. She said the section being repealed is redundant. She said the clerks' offices provide monthly and quarterly reports as well as annual reports in addition to the one required in I.C. 31-2307.

In response to questions, **Ms. Dressen** said many counties are unable to complete audits by the second Monday in January as required by Idaho Code. She said I.C. 31-819 clearly states after an audit is returned, there is a maximum of thirty days allowed before the information is published in a newspaper.

**Mr. Poinelli** said numbers are most accurate following audit adjustments and the publication of the annual statement following an audit will provide the best information.

**Rep. Clow** said without pressure to get audits done by a certain date, audits can fall significantly behind.

In response to questions, **Mr. Poinelli** said **H 560** should correct some of the compliance issues related to audits, as it provides penalties for noncompliance.

**MOTION:**

**Rep. Meline** made a motion to send **S 1238** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Meline** will sponsor the bill on the floor.

**H 573:**

**Rep. Youngblood** presented **H 573**. This is a change in the urban renewal statute. Urban renewal was designed as a tool for infrastructure improvements in blighted areas, to create jobs and growth. Under **H 573**, a public vote would be required for certain public buildings coming off public tax rolls.

In response to questions, **Rep. Youngblood** said an urban renewal district is formed to use incremental tax increase dollars. When those dollars are not used for infrastructure but instead are used for bonds to build city halls or libraries, which is not what urban renewal development was intended for, it is appropriate for those being taxed to have a vote.

**Rep. Malek** said there is a marked difference between something providing infrastructure and providing growth, and creating buildings that do not generate income or growth for a community. There is a clause in the bill to protect projects currently under development. Certain communities might certainly benefit from having a new city hall in a downtown corridor, however a simple majority vote is appropriate.

In response to questions, **Rep. Youngblood** said if a city voted against building a new city hall, the city could explore other options.

**Ryan Armbruster**, Elam and Burke, Redevelopment Association of Idaho (RAI), spoke **in opposition** to **H 573**. He said the bill makes an incorrect presumption as to the benefits of a public library or city hall, which can promote a vibrant downtown area and promote community activities. He also said the required vote would not allow local officials to render decisions affecting their local communities.

In response to questions, **Mr. Armbruster** said opportunities for improvements often come in conjunction with private investment. The requirement to wait for a vote which can only come twice a year could result in the loss of that private investment. He said in 1972 and in 2009, the Idaho Supreme Court said urban renewal agencies do not have to go to a vote. He said a city hall generates workers in a downtown area, which generates the desire for other businesses such as restaurants and retail establishments to be located near that new city hall. He has concerns with the term "public entity" and said the term "unlawful" is not defined in the bill.

**Chairman Barrett** said taxpayers should have the opportunity to participate in the system.

In response to additional questions, **Mr. Armbruster** said if an urban renewal agency and a city both participated in a single project in which they were each planning to contribute an amount that required a vote, both the urban renewal agency and the city would have to put the issue to separate votes, perhaps at different times, for the single project.

**Rep. Youngblood** said his understanding is bond levies require a simple majority. Urban renewal was developed as an economic development tool and should be used as such.

**ORIGINAL  
MOTION:**

**Rep. Harris** made a motion to send **H 573** to the floor with a **DO PASS** recommendation.

**Rep. Clow** said he understands the premise of the bill, but believes the language needs to be cleaned up.

**SUBSTITUTE  
MOTION:**

**Rep. Clow** made a substitute motion to **HOLD H 573** in committee.

**Reps. Harris, Barbieri, and Chairman Barrett** said they oppose the motion to **HOLD H 573** in committee.

**ROLL CALL  
VOTE ON  
SUBSTITUTE  
MOTION:**

A roll call vote was requested on the substitute motion to **HOLD H 573** in committee. **Motion failed by a vote of 4 AYE, 9 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Reps. Clow, Chew, Kloc and Meline. Voting in opposition** to the motion: **Reps. Sims, Barbieri, Perry, Hancey, Harris, Holtzclaw, Horman, Malek, and Chairman Barrett. Rep. Luker was absent/excused.**

**ROLL CALL  
VOTE ON  
ORIGINAL  
MOTION:**

A roll call vote was requested on the original motion to send **H 573** to the floor with a **DO PASS** recommendation. **Motion carried by a vote of 9 AYE, 4 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Reps. Sims, Barbieri, Perry, Hancey, Harris, Holtzclaw, Horman, Malek, and Chairman Barrett. Voting in opposition** to the motion: **Reps. Clow, Chew, Kloc and Meline. Rep. Luker was absent/excused. Rep. Youngblood** will sponsor the bill on the floor.

**H 574:**

**Rep. Malek** presented **H 574**. He said this bill amends Idaho Code 50-2903 with a simple change. The word "municipal" is replaced with "city, county or any taxing district".

In response to questions, **Rep. Malek** said "municipal" is being changed to read "city, county or any taxing district" because there is a way taxing districts could incur costs which would not be correctly counted without this language clarification. Currently municipalities are defined as cities and counties under municipal law, but not taxing districts. This change would allow districts to recoup project costs from urban renewal agencies.

In response to questions, **Rep. Kloc** said room tax increases are done by the boards of auditorium districts.

In response to additional questions, **Rep. Malek** said if an auditorium district is classified as a taxing district, it would be included in the new definition.

**Ryan Armbruster**, Elam and Burke, Redevelopment Association of Idaho (RAI), spoke **in opposition** to **H 574**. He said this is a problem looking for a solution. Current definitions of "municipality" include sponsoring entities. Most smaller urban renewal agencies do not have staff or administrators and rely on city employees and pay allocated costs for services. He said **H 574** creates liability and no sideboards for double charges.

**Rep. Sims** said in her area, teachers and college employees are asked to work with and for the urban renewal agencies on projects and are not reimbursed for their time and efforts. Highway districts also lend their employees to urban renewal agencies without compensation. She said she believes **H 574** is aimed at solving that problem.

In response to questions, **Mr. Armbruster** said municipality has different interpretations. He said this bill would allow assessors to send bills to urban renewal agencies when they would not send a bill to someone else.



**Rep. Meline** said a city employee of one agency is not legally allowed to collect money for work completed for a different city agency.

**MOTION:** **Rep. Holtzclaw** made a motion to send **H 574** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Meline, Kloc, Chew** and **Clow** requested to be recorded as voting **NAY**. **Rep. Malek** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 4:26 p.m.

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Representative Sims  
Vice Chair

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Mary Tipps  
Secretary

AGENDA  
**HOUSE LOCAL GOVERNMENT COMMITTEE**  
1:30 pm or Upon Adjournment of the House  
Room EW05  
Tuesday, March 18, 2014

SUBJECT	DESCRIPTION	PRESENTER
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Approval of Minutes

COMMITTEE MEMBERS

Chairman Barrett  
Vice Chairman Sims  
Rep Barbieri  
Rep Luker  
Rep Perry  
Rep Clow  
Rep Hancey

Rep Harris  
Rep Holtzclaw  
Rep Horman  
Rep Malek  
Rep Chew  
Rep Kloc  
Rep Meline

COMMITTEE SECRETARY

Mary Tipps  
Room: EW06  
Phone: 332-1147  
email: [hloc@house.idaho.gov](mailto:hloc@house.idaho.gov)

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Tuesday, March 18, 2014

**TIME:** 1:30 pm or Upon Adjournment of the House

**PLACE:** Room EW05

**MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

**ABSENT/  
EXCUSED:** Representatives Perry, Clow, Hancey and Malek

**GUESTS:** None

**Chairman Barrett** called the meeting to order at 1:37 p.m.

**MOTION:** **Rep. Kloc** made a motion to approve the minutes of March 6, 2014. **Motion carried by voice vote.**

Each present committee member thanked **Chairman Barrett** and expressed good will for one another, and for the legislative process undertaken by the House Local Government Committee this year.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 1:53 p.m.

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Representative Barrett  
Chair

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Mary Tipps  
Secretary